

Health Care Reimbursement Account

We are please to offer you a health care reimbursement account that allows you to pay for a variety of health care expenses on a before-tax basis.

Q: Is the health care reimbursement account voluntary?

A: Yes.

Q: Am I eligible to participate?

A: You may participate as of your first day of employment if you are a regular employee working at least 20 hours per week.

Q: What is the benefit?

A: You may reimburse yourself with before-tax dollars for eligible out-of-pocket expenses. By paying for expenses on a before-tax basis, you reduce your income for the purpose of state, federal and Social Security taxes. You estimate how much you expect to spend on unreimbursed health care expenses for the calendar year and have that amount withheld pre-tax from your paychecks throughout the year in equal weekly or monthly amounts.

To file a claim for reimbursement, you must complete a claim form, attach an Explanation of Benefits from the medical or dental program and any itemized receipts, and mail them to the address on the form. Reimbursement checks are processed on the 16th of each month with a minimum reimbursement of \$50. If your claims do not total at least \$50, they will be held until additional claims are submitted. You must use a separate claim form for the expenses of each family member. You have until March 31 of the following calendar year to submit claims for expenses incurred.

Q: Is there a limit to the amount I can contribute?

A: Yes. You may contribute from a minimum of \$300 to a maximum of \$3500 each calendar year.

Q: Will reducing my taxable salary by contributing to this program have an effect on any other benefits?

A: It may. If your annual salary is below the Social Security wage base, your future Social Security benefit may be reduced, but only minimally.

Q: What happens if I don't use up all of the money I have contributed?

A: The IRS requires you to forfeit all amounts that you do not use toward expenses incurred in the calendar year.

Q: What types of expenses are reimbursable?

A: You can be reimbursed for those expenses incurred by you or your eligible dependents that the IRS allows as income tax deductions, but not all items that qualify as a tax deduction also qualify for the reimbursement account. Premiums paid for health care coverage cannot be reimbursed. Eligible expenses include but are not limited to:

- Deductibles and co-payments not covered by your medical or dental programs
- Out of pocket medical or dental expenses
- Medical or dental charges above reasonable and customary levels
- Hearing and vision care expenses such as eye exams, eyeglasses and contact lenses
- Annual physical examinations
- Approved weight-loss and stop-smoking programs, if prescribed by a physician to treat a specific condition
- Over-the-counter medications used to alleviate or treat personal illness or injuries. Dietary supplements to maintain one's health (such as vitamins) do not qualify for reimbursement.

Q: Who is an eligible dependent?

A: A dependent for the purpose of the health care reimbursement account includes:

- Your spouse.
- Your unmarried children up to the end of the calendar year in which they attain age 18.
- Your unmarried children through the end of the calendar year in which they attain age 23 who attend an accredited college or university on a full-time basis.
- Your unmarried children who are mentally or physically incapable of earning their own living.

Q: How do I sign up?

A: To sign up for coverage, request an enrollment form at your new hire orientation meeting. If you do not sign up within 31 days from your first day of employment, you must wait until the next open enrollment period and coverage will be effective on January 1 of the following year. If you want to participate in the program each year, you must enroll each year. Your election will not roll forward from one year to the next. During the open enrollment period, you may make your election online.

Q: Can I make changes to my coverage?

A: Yes. If you have a Qualifying Event, you may be eligible to add or drop coverage at that time. Additional information on Qualifying Events can be found on page 17.

Q: Where can I get more information on the program?

A: Additional information is available in your Employee Guide, on the web at www.bnl.gov/hr/Benefits/, or through the Benefits Office at ext. 2877 or ext. 5126.

Dependent Day Care Reimbursement Account

We are please to offer you a dependent day care reimbursement account that allows you to pay day care expenses on a before-tax basis.

Q: Is the dependent day care reimbursement account voluntary?

A: Yes.

Q: Am I eligible to participate?

A: You may participate as of your first day of employment if you are a regular employee working at least 20 hours per week and are:

- a single parent who requires dependent day care so you can work, or
- married and require day care so you can work and your spouse can work or be a full-time student.

Q: What is the benefit?

A: You may reimburse yourself with before-tax dollars for eligible out-of-pocket expenses. By paying for expenses on a before-tax basis, you reduce your income for the purpose of state, federal and Social Security taxes. You estimate how much you expect to spend on dependent day care expenses for the calendar year and have that amount withheld pre-tax from your paychecks throughout the year in equal weekly or monthly amounts.

To file a claim for reimbursement, you must complete a claim form, attach the itemized bills, and mail them to the address on the form. Reimbursement checks are processed on the 16th of each month with a minimum reimbursement of \$50. If your claims do not total at least \$50, they will be held until additional claims are submitted. You must use a separate claim form for the expenses of each family member. You have until March 31 of the following calendar year to submit claims for expenses incurred.

Q: Is there a limit to the amount I can contribute?

A: Yes. You may contribute from a minimum of \$300 to a maximum of \$5000 each calendar year. If you are single or if you are married and file separate income tax returns, the maximum you may contribute is \$2500.

Q: Will reducing my taxable salary by contributing to this program have an effect on any other benefits?

A: It may. If your annual salary is below the Social Security wage base, your future Social Security benefit may be reduced, but only minimally.

Q: What happens if I don't use up all of the money I have contributed?

A: The IRS requires you to forfeit all amounts that you do not use toward expenses incurred in the calendar year

Q: What types of expenses are reimbursable?

A: You can be reimbursed for those expenses incurred by you or your eligible dependents that the IRS allows as income tax deductions, but not all items that qualify as a tax deduction also qualify for the reimbursement account. Eligible expenses include but are not limited to:

- Care of a dependent in your home by a paid provider
- Care of a dependent outside your home by a licensed nursery or day care center
- Household services, such as a housekeeper, provided some portion of the service is to a dependent.

A relative is considered an eligible provider of dependent day care if he/she is not claimed as your dependent for tax purposes. The provider's name, address, and Tax Identification Number or Social Security Number must be supplied to receive reimbursement.

Q: Who is an eligible dependent?

A: A dependent for the purpose of the Dependent Day Care Reimbursement Account includes:

- A child under age 13 who is claimed as a dependent on you income tax return.
- Any dependent you claim for income tax purposes who requires day care because of physical or mental inability.

Q: How do I sign up?

A: To sign up for coverage, request an enrollment form at your new hire orientation meeting. If you do not sign up within 31 days from your first day of employment, you must wait until the next open enrollment period and coverage will be effective on January 1 of the following year. If you want to participate in the program each year, you must enroll each year. Your election will not roll forward from one year to the next. During the open enrollment period, you may make your election online.

Q: Can I make changes to my coverage?

A: Yes. If you have a Qualifying Event, you may be eligible to add or drop coverage at that time. Additional information on Qualifying Events can be found on page 17.

Q: Where can I get more information on the program?

A: Additional information is available in your Employee Guide, on the web at www.bnl.gov/hr/Benefits/, or through the Benefits Office at ext. 2877 or ext. 5126.